



**County of Los Angeles  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Los Angeles, California 90020  
(213) 351-5602

PATRICIA S. PLOEHN, LCSW  
Director

September 29, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

23                      SEPTEMBER 29, 2009

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Board of Supervisors

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Dear Supervisors:

**REQUEST TO APPROVE AMENDMENT NUMBER THREE FOR AN AUTOMATIC MONTH-TO-MONTH EXTENSION FOR UP TO SIX-MONTHS OF CURRENT AGREEMENT NUMBER 75876 WITH INTERNATIONAL BUSINESS MACHINES CORPORATION TO PROVIDE TECHNICAL SUPPORT TO MAINTAIN THE CALIFORNIA STATE CHILD WELFARE SERVICES/CASE MANAGEMENT SYSTEM  
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**CIO RECOMMENDATION:**

**APPROVE ( X )    APPROVE WITH MODIFICATION ( )    DISAPPROVE ( )**

**SUBJECT:**

Requesting your Board's approval to execute an Amendment for an automatic month-to-month extension for up to six-months at the cost of \$75,000 to the current agreement with International Business Machines Corporation to provide technical support to maintain the California State Child Welfare Services/Case Management System (CWS/CMS) used to support child welfare operations. The total agreement expenditure to date is \$485,000. The total Maximum Contract Sum including the cost for the additional automatic month-to-month six-month extension will be \$560,000.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Approve and instruct the Chairman of the Board to execute the attached Amendment Number Three to Agreement Number 75876 with International Business Machines Corporation (IBM) to provide technical support to maintain the CWS/CMS for an additional six months on an automatic month-to-month basis, effective October 1, 2009 through March 31, 2010. The cost for the additional six months is \$75,000, financed using 50 percent (\$37,500) Federal revenue, 35 percent (\$26,250) State revenue, and 15 percent (\$11,250) Net County Costs (NCC). Sufficient funding is included in the Department's Fiscal Year (FY) 2009-10 Adopted Budget.

*"To Enrich Lives Through Effective and Caring Service"*

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Since 1992, the State has an exclusive agreement with IBM Global Services, now known as International Business Machines Corporation (IBM), to enhance and maintain the CWS/CMS system, and provide the necessary technical support services to the State. Furthermore, the State and Federal governments allow the County to contract exclusively with IBM for county-specific technical support of CWS/CMS.

The current agreement expires on September 30, 2009, and a new agreement is currently being negotiated with IBM. During the course of previous negotiations, IBM raised objections to virtually each and every one of the County's standard contractual terms and hence the Department of Children and Family Services (DCFS) expects a longer time to complete the current negotiations.

The recommended Amendment allows month-to-month extension for up to six-months of the current agreement with IBM. This will enable DCFS to continue to receive Moves, Adds, and Changes (MAC) services, support for the daily download to the Department's data warehouse, known as County Access to Data (CAD), and provide access and use to CWS/CMS. Access to CWS/CMS data will be severely hampered and the ability to serve the needs of the public and protect the children of Los Angeles County will be diminished without approval of the recommended actions.

### **Implementation of Strategic Plan Goals**

The recommended action will provide case management proficiency and organization efficiency in delivering services to the public, and is therefore consistent with the principles of the Countywide Strategic Plan Goal No. 1, Operational Effectiveness and Goal No. 2, Children, Family and Adult Well-Being.

## **FISCAL IMPACT/FINANCING**

The term of the additional automatic month-to-month extension is October 1, 2009 through March 31, 2010. The cost for the six-month extension is \$75,000 and will be financed using 50 percent (\$37,500) Federal revenue, 35 percent (\$26,250) State revenue, and 15 percent (\$11,250) NCC. The total agreement expenditure to date is \$485,000. The total Maximum Contract Sum including the cost for the six month extension will be \$560,000. Sufficient funding is included in the Department's FY 2009-10 Adopted Budget.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Under the California Welfare Institutions Code (WIC) Section 16501.5, the State was required to develop and use a statewide system to be used by counties to support child welfare operations. The CWS/CMS system was made possible through federal funds (45 CFR 1355.53) and is currently being extensively used by social workers in all California counties. Based on a 1992 State agreement, IBM is the only firm authorized to move, add or change network components (servers and printers); certify workstation software images; and to provide



daily downloads of data for counties in California, thus ensuring that the integrity of CWS/CMS is maintained by a single vendor who is entirely responsible for maintaining contractual system performance and service levels. If a county were to procure these services from another vendor, it could imperil the State's ability to ensure that CWS/CMS meets statutory requirements.

Since December 12, 2000, your Board has approved sole source agreements with IBM for the provision of the services which are now performed under the current Agreement Number 75876 which expires on September 30, 2009. All prior agreements and this current Agreement contain provisions that were originally agreed to through protracted negotiations involving DCFS, County Counsel and IBM. In consideration of the foregoing, the limited scope of services to be performed, the risk allocation existing under this Agreement, and this Agreement as proposed is both necessary and reasonable.

The automatic month-to-month extension of the Agreement will begin on October 1, 2009 and expire on March 31, 2010, if all options are exercised. The total cost of the Agreement is \$75,000 for the six-month period.

County Counsel has reviewed the proposed Amendment as to form. The Chief Information Officer (CIO) recommends approval of this Amendment (See Attachment I). Amendment Number Three to Agreement Number 75876 is included as Attachment II. This Board letter does not comply with your Board's policy regarding timely filing due to the continuing contract negotiations with IBM.

### **CONTRACTING PROCESS**

This is a sole source procurement by negotiation, performed in accordance with the County's policy for sole source. These services fall under the jurisdiction of the Office of Systems Integration (OSI) of the California Health and Human Services Agency. OSI has approved this six-month extension, and the new contract currently being negotiated, so that DCFS may continue receiving CWS/CMS support services from IBM until the implementation of a new CWS Web-based Application is completed.

DCFS has determined that the Living Wage Ordinance Program (County Code Chapter 2.201) does not apply to this Contract.

### **IMPACT ON CURRENT SERVICES**

Approval of the proposed six-month extension, on an automatic month-to-month basis, to the Agreement will allow the County to continue to ensure immediate and complete access to critical case information, provide updates to that information, and perform basic essential tasks to ensure the well-being of children and families maintained in the CWS/CMS system.

**CONCLUSION**

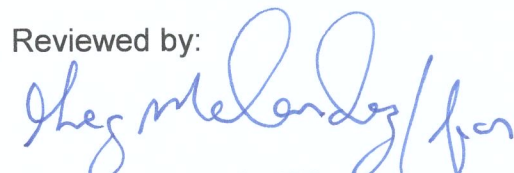
Upon approval by the Board of Supervisors, it is requested that the Executive Office/Clerk of the Board send adopted copies of this Board Letter and Amendment to:

1. Department of Children and Family Services  
Contract Administration Division  
Attention: Rita Murgas-Lee, Interim Contracts Manager  
425 Shatto Place, Room 400  
Los Angeles, CA 90020
2. Office of County Counsel  
Attention: Kathleen Bramwell  
648 Kenneth Hall of Administration  
500 West Temple Street, Suite 602  
Los Angeles, CA 90012
3. Catherine Mori  
CWS/CMS Project Executive  
International Business Machines Corporation  
3775 North Freeway Boulevard  
Sacramento, CA 95834

Respectfully submitted:

  
PATRICIA S. PLOEHN, LCSW  
Director

Reviewed by:

  
RICHARD SANCHEZ  
Chief Information Officer

PSP:RML:jar

c: Chief Executive Office  
Acting County Counsel  
Executive Officer, Board of Supervisors

Attachments (2)

# CIO ANALYSIS

**Amendment Number Three to Agreement 75876 with  
International Business Machines Corporation for Maintenance and Support Services  
for the Child Welfare Services/Case Management System**

**CIO RECOMMENDATION:**    ☒ **APPROVE**                      ☐ **APPROVE WITH MODIFICATION**  
    ☐ **DISAPPROVE**

**Contract Type:**

☒ **New Contract**                      ☐ **Contract Amendment**                      ☐ **Contract Extension**  
☒ **Sole Source Contract**                      ☐ **Hardware Acquisition**                      ☐ **Other**

**New/Revised Contract Term:**    **Base Term:** 6 months                      **# of Option Yrs:** 0

**Contract Components:**

☐ **Software**                      ☐ **Hardware**                      ☐ **Telecommunications**  
☒ **Professional Services**

**Project Executive Sponsor:** Susan Kerr, Senior Deputy Director, DCFS

**Budget Information :**

Y-T-D Contract Expenditures	\$485,000
Requested Contract Amount	\$ 75,000
Aggregate Contract Amount	\$560,000

**Project Background:**

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project legislatively mandated?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project subvented? Yes. If yes, what percentage is offset? 50% Federal, 35% State, and 15% County with Advance Planning Document (APD) approval from State/Federal, which was approved on March 11, 2009.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? Yes. If yes, name the other department(s) involved? Probation and Child Support Services.

**Strategic Alignment:**

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document? Child Welfare Services/Case Management System (CWS/CMS) uses client/server technologies not consistent with the County's IT direction. However, CWS/CMS is a State-mandated system and there is no alternative.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards? See previous item.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

### **Project/Contract Description:**

The proposed Amendment will provide the Department of Children and Family Services (DCFS) with maintenance and support services for the State-owned Child Welfare Services/Case Management System (CWS/CMS). Two categories of services are included: (a) moves, adds and changes (MACs) and upgrades for CWS/CMS hardware/software, and (b) ongoing support of the compressed American Standard Code for Information Interchange (Daily Download) of the CWS/CMS data. Daily downloads mean changes to the County specific data stored in the CWS/CMS host database and extracting specific case information from CWS/CMS into the local data mart for purposes of gathering statistical information and compiling reports.

### **Background:**

CMS/CWS is mandated by Section 16501.5 of the California Welfare and Institutions Code. In 1992, the State of California Department of Health and Human Services awarded a competitively bid contract to IBM for the design, implementation and operation of the CWS/CMS system. The agreement is still in effect and IBM is the sole vendor contracted by the State to perform these required services.

### **Project Justification/Benefits:**

The State-operated CWS/CMS is a critical component in DCFS' ability to perform needed services to children and families in Los Angeles County. Access to CWS/CMS and the timely download of system data are essential for DCFS staff to perform these services. Also MAC services are needed to accommodate the Department's organizational changes that require the addition/relocation of system users, and the ability to retrieve data, statistical information, and reports.

### **Project Metrics:**

The County's Program Manager will evaluate the success of the project through completion of MACs on a timely manner as well as timely and accurate delivery of CAD downloads.

### **Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:**

DCFS will have limited or no access to the CWS/CMS application after relocation of staff and/or offices, as MAC activities cannot be performed without a valid contract. Problems encountered with equipment upgrades performed by the State will also not be addressed and corrected, resulting in significantly reduced levels of service. In addition, DCFS will have a loss of critical data in their local database.

### **Alternatives Considered:**

DCFS is mandated to use this statewide system and IBM is the current sole State vendor providing ongoing maintenance and operations. There are no other alternatives.

**Project Risks:**

Agreement is relatively small, given the limited scope of work to be performed, the vendor's familiarity in performing these services for the past 17 years, and the established Service Level Agreement between the Vendor and the State.

**Risk Mitigation Measures:**

Considering the Vendor's prior experience and the maximum contract amount, risks are small and require no additional risk mitigation measures.

**Financial Analysis:**

The Maximum Contract Sum for the additional six months is \$75,000, financed using 50 percent (\$37,500) Federal revenue, 35 percent (\$26,250) State revenue, and 15 percent (\$11,250) NCC. Sufficient funding is included in the Department's FY 2009-10 Proposed Budget.

**CIO Concerns:**

None.

**CIO Recommendations:**

The Chief Information Office recommends approval of this Amendment.

**CIO APPROVAL**

Date Received: 08/20/2009

Prepared by: Gene A. Franklin, Sr.

Date: 08/28/2009

Approved: 

Date: 9/15/2009



**AMENDMENT NUMBER THREE TO AGREEMENT NUMBER 75876  
WITH INTERNATIONAL BUSINESS MACHINES CORPORATION**

This Amendment Number Three to Agreement Number 75876, and all its amendments hereafter, collectively referred to as "Agreement", by and between the County of Los Angeles (hereafter "COUNTY") and International Business Machines Corporation (hereafter "CONTRACTOR") is made and entered into this 29th day of September, 2009.

WHEREAS, COUNTY and CONTRACTOR are parties to Agreement for "Moves, Adds, and Changes" (MAC) and "County Access to Data" (CAD) services for the California State Child Welfare Services/Case Management System (CWS/CMS), and CONTRACTOR has been providing services to COUNTY; and

WHEREAS, additional time is needed to finalize negotiation of a new agreement which contains contractual terms and conditions that adhere to current COUNTY contracting policies; and

NOW THEREFORE, in consideration of the foregoing and mutual consent herein contained, COUNTY and CONTRACTOR agree to modify this Agreement as follows:

1. PART I, UNIQUE TERMS AND CONDITIONS, Section 5.0, TERM, Subsection 5.3 is added to read as follows:

5.3 The term of this Agreement is extended for an additional six (6) months, on an automatic month-to-month basis, from October 1, 2009 through March 31, 2010, unless terminated earlier.

2. PART I, UNIQUE TERMS AND CONDITIONS, Section 7.0 MAXIMUM CONTRACT SUM, Subsections 7.1 and 7.2 are amended to read as follows:

7.1 General

For each Contract Year, the Maximum Annual Contract Sum under this Agreement shall be the maximum monetary amount payable per annum by COUNTY to CONTRACTOR for supplying all the Deliverables specified under this Agreement. The Maximum Annual Contract Sum authorized by COUNTY for this Agreement, including without limitations all applicable taxes, shall not exceed the maximum amount of one hundred fifteen thousand dollars (\$115,000) for the Agreement period, October 1, 2006 through September 30, 2007.

- 7.1.1 Effective July 29, 2008, the maximum annual contract sum is increased by seventy thousand dollars (\$70,000), not to exceed the Maximum Annual Contract Sum of one hundred eighty five thousand dollars (\$185,000) for each Agreement periods: October 1, 2007 through September 30, 2008 and October 1, 2008 through



September 30, 2009, for the purpose of moving or relocating the following offices:

- 130 overflow staff from the Compton Office to the Hawthorne facility;
- 200 Training Section and San Gabriel Regional Office staff from MacLaren to another location (potential);
- 345 Emergency Response and Hot Line staff from 3075 Wilshire to another location (potential); and
- West Los Angeles Regional office location.

In the event that COUNTY's conditions, priorities, and needs for MACs change, CONTRACTOR agrees to deliver a similar scope of additional work or amount of MACs, or more, if possible, in accordance with Section 6.0, CHANGE NOTICES, AMENDMENTS, AND STATEMENTS OF WORK, Subsection 1.1 Statements of Work, and Subsection 2.4, Approval of Deliverables, of this Agreement.

7.1.2 The Maximum Contract Sum for the automatic month-to-month, six-month extension period from October 1, 2009 through March 31, 2010, if all month-to month options to extend are exercised, shall not exceed Seventy Five Thousand Dollars (\$75,000).

7.2 The Maximum Contract Sum payable under the Agreement from October 1, 2006 through March 31, 2010 for MAC and CAD services shall be the maximum amount payable by COUNTY to CONTRACTOR for supplying all the deliverables specified under this Agreement. The Maximum Contract Sum authorized by the COUNTY to CONTRACTOR, including without limitation all applicable taxes, shall not exceed Five Hundred Sixty Thousand Dollars (\$560,000), if all options to extend are exercised.

**EXCEPT AS PROVIDED IN THIS AMENDMENT NUMBER THREE, ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT.**

AMENDMENT NUMBER THREE TO AGREEMENT NUMBER 75876  
WITH INTERNATIONAL BUSINESS MACHINES CORPORATION

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment Number Three to be subscribed by its Chairman and the seal of such Board to be affixed and attested to by the Executive Officer-Clerk of the Board, and International Business Machines Corporation has caused this Amendment Number Three to be subscribed on its behalf by its duly authorized officers, as of the day, month and year first written above. The person(s) signing on behalf of CONTRACTOR warrant under penalty of perjury that they are authorized to bind CONTRACTOR in this Agreement.



ATTEST:

SACHI A. HAMAI  
Executive Officer-Clerk of the  
Los Angeles County  
Board of Supervisors

By: Lachelle Smitherman  
Deputy

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

SACHI A. HAMAI  
Executive Officer  
Clerk of the Board of Supervisors

By: Lachelle Smitherman  
Deputy

COUNTY OF LOS ANGELES

By: Don Krabe  
Chairman, Board of Supervisors

INTERNATIONAL BUSINESS MACHINES  
CORPORATION

By: John McCready

Name John McCready

Title Deputy Project Executive

By: Edward A. DiNardo

Name Edward A. DiNardo

Title Contracts & Negotiations

Tax ID 13-10871985

APPROVED AS TO FORM:  
ROBERT KALUNIAN  
Acting County Counsel

By: [Signature] 9/1/09  
Principal Deputy County Counsel

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

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SEP 29 2009

Sachi A. Hamai  
SACHI A. HAMAI  
EXECUTIVE OFFICER

75876  
Supplement No. 2